

APPLICATION #CL1-00517

STAFF ANALYSIS

FEASIBILITY:

Project Scope: The project will convert existing leased office space to laboratory use. It also proposes improvements to create space to support a techniques course. The space is to be leased for three years with a renewable contract. The description of work is “new drainage, new lighting, and walls to enclose protected space, including a P2 level tissue culture room, 3 offices for staff, lab benches/desks for work space.” The drawings are early concept, pre-schematic in nature. While the placement of major equipment is shown, the planned circulation is not completely resolved as it proposes a dead-end corridor and limited access to the laboratory. It is not clear whether HVAC improvements have been included that would convert the typical recirculation system found in leased office space to a 100 percent outside air (single-pass) system with appropriate filtration.

The proposed improvements to the shared laboratory involve 3,120 gross square feet (gsf) (as this is leased space, this may equate to rentable square feet). The amount of assignable square feet (asf) is noted as 3,120 though there is circulation space in the proposal that would indicate that gross/rental areas are larger than assignable area. The amount of space for the techniques course is similarly indicated as 780 square feet. A take-off from the drawings was not possible to confirm the square footages provided since the drawings were not scaled.

Project Management: The proposal identifies a project/construction management process that includes membership from outside of the applicant institution. It is not clear that there is adequate institutional management support to maintain budget and schedule. The proposal indicates that “a \$100,000 discretionary/contingency amount is included to be used on change orders, and funds will be returned to the state of California if not used.”

COST:

Shared Laboratory: The list of activities noted above have been estimated to cost \$360,000. There is an additional \$100,000 noted as a contingency and \$32,000 for design and administrative costs. These amounts total \$492,000. However, the grant budget summary indicates a project cost of \$417,000. There is no basis to determine why these two amounts differ. We presume that the grant request is for \$417,000 for purposes of this analysis and that \$75,000 is attributable to the excessive contingency proposed. At this reduced amount, the design fees, administrative costs and project contingency represent 19 percent of the construction amount which is within the RFA budget guidelines of 25 percent.

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The overall cost per asf and gsf for the renovation work is \$134. Based on the fact that this is leased space rather than a typical research-intensive building, we are not be able to provide a comparable cost for gross square feet in a research building.

The applicant indicates that the shared laboratory would be able to accommodate the NIH-free laboratory space needs for 3 Principal Investigators (PIs) based at this institution and would be used by other unnamed PIs. Considering only the institutional-based PIs, the cost per PI for the shared laboratory is about \$139,000. Based on CIRM funding only (construction and equipment) the cost per institutional-based PIs is \$130,530.

TIMELINE:

The project schedule indicates that assuming a September 2007 grant award date, preliminary plans and working drawings will be completed in November 2007. Construction would occur from January 2008 to July 2008.

INSTITUTIONAL COMMITMENT:

The applicant indicates that \$96,400 will be provided as institutional matching funds. The source of this match is a third party entity that is in collaboration with the applicant. It is not known to what extent these funds are assured of being available to the applicant.

The applicant has also committed to addressing any cost overrun as follows: "Should further funding be necessary we will raise further funds as needed for the relatively wealthy local Silicon Valley community." There is no basis to determine any unexpected future capital funding needs could actually be addressed.

HISTORICAL PERFORMANCE:

Data for three projects undertaken between 1994 and 2001 ranging in cost from \$7,000 to \$30,000 were submitted as information on historical performance. These projects do not reflect the scale of project proposed in the grant and therefore would not be a good indication of performance. The applicant indicates that there has been no renovation project undertaken in the last two years in the range of \$1 million to \$5 million.

RESPONSIVENESS:

Shared Laboratory: The applicant indicates that there are 3 researchers based at the host institution that are planning to undertake hESC research activities once additional NIH-free space is available. No other users are noted.

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Techniques Course: The applicant has requested funding under Part 1 for operation of a shared research laboratory and a techniques course. The Part 2 application addresses only renovations for the shared research laboratory. We assume that the planned techniques course will share the laboratory space. Our analysis indicates that funding of the shared laboratory will be a very good investment for CIRM given that there would be no additional capital funding required accommodating the techniques course.

Facilities Working Group Issues

- **Institutional Commitment**—How will the Facilities Working Group address commitment of matching funds from a third-party funding source?
- **Responsiveness**—How will the Facilities Working Group address the fact that there are only three institutional based PIs associated with this proposal resulting in a high cost per PI.

The grant management office will need to confirm that all conditions of the grant as indicated in the Grants Administration Policy have been met. This would include confirming that all past work is consistent with grant requirements for prevailing wage and other construction-related requirements. This includes confirmation that equipment funds are budgeted pursuant the Grants Administration Policy as adopted December 7, 2006.